

OVERVIEW OF BUDGET

DEPARTMENT: CHILD SUPPORT SERVICES
DIRECTOR: CORY NELSEN
BUDGET UNIT: AAA DCS

I. GENERAL PROGRAM STATEMENT

Title IV-D of the Federal Social Security Act, which was originally enacted in 1975, governs the County Child Support Enforcement Program. Federal regulations require that the program be administered at the state level by a single agency which, in turn, may contract with counties to conduct the enforcement program. Federal financial participation consists of payment of 66% of program costs and payment of graduated incentives to states for meeting program objectives. The balance of allowable county expenditures is reimbursed by the state. Basic program activities include locating absent parents, establishment of paternity, establishment of support orders pursuant to state guidelines, enforcement of support obligations, modification of support obligations when needed, and collection and distribution of support payments.

II. BUDGET & WORKLOAD HISTORY

| | Actual 2001-02 | Budget 2002-03 | Estimated 2002-03 | Department Request 2003-04 |
|-----------------------------------|---------------------------|---------------------------|------------------------------|---|
| Total Appropriation | 31,995,423 | 40,798,946 | 39,919,834 | 39,889,326 |
| Total Revenue | 31,914,757 | 40,798,946 | 39,919,834 | 39,889,326 |
| Local Cost | 80,666 | - | - | - |
| Budgeted Staffing | | 649.7 | | 565.0 |
| <u>Workload Indicators</u> | | | | |
| Collections | \$123,250,485 | \$141,130,000 | \$130,000,000 | \$135,000,000 |
| Open Cases | 166,987 | 151,000 | 168,000 | 160,000 |
| Cases per Officer | 732 | 583 | 757 | 650 |

The department submitted a Capital Improvement Plan (CIP) to address cramped working conditions and the lack of needed expansion space at the current Child Support facility in Victorville. A space request for 33,266 square feet was approved by the CAO and the Board of Supervisors approved a Request for Proposals on July 10, 2001. Subsequently, the Board of Supervisors approved the lease on September 24, 2002 with an expected occupancy date of January 2004. The additional space will allow for adequate interview bays, a phlebotomist area as well as sufficient space to increase staff to address current and anticipated caseloads.

The one-time costs associated with this project were estimated and budgeted in 2002-03. They include approximately \$900,000 for workstations, office furniture and seating for approximately 198 staff, interview bays and lobby space for clients, and sufficient file space for approximately 90,000 case files. Large office equipment, Cisco switches and servers were budgeted in fixed assets and estimated at \$320,000. Other communication/data equipment such as patch panels, digital phone instruments and infrastructure costs such as T-1 lines have been budgeted in services and supplies and are estimated at approximately \$750,000. All costs associated with this project are currently being addressed by the department working in conjunction with HSS Information and Technology Support Division, ISD and HSS Administrative Support Division and should be fully expended within 2002-03.

The Department of Child Support Services has historically had difficulties with high employee turnover and the ability to fill budgeted positions, which has negatively impacted the department's ability to fully expend state allocations. Working closely with Human Resources, the department has streamlined the recruitment process resulting in a significant increase in filled positions for 2002-03.

The Child Support program is a state and federal reimbursement program and revenues have been adjusted to reflect actual expenditures.

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III. HIGHLIGHTS OF RECOMMENDED PROGRAM FUNDED ADJUSTMENTS

STAFFING CHANGES

Changes in budgeted staffing decreased by a net of 84.7 budgeted positions due to increased MOU-related costs, staffing reclassifications from 2001-02 per Board item #02-045 dated May 21, 2002, and an anticipated decrease in state funding for 2003-04.

Net reduction of 3.0 in budgeted staffing due to reclassifications:

- Reclass from 1.0 Supervising Child Support Field Investigator, 2.0 Child Support Field Investigators, 5.0 Investigative Technicians and 3.0 Clerk IIIs to 11.0 Child Support Officer Is.
- Reclass from 8.0 Clerk IIIs and 6.0 Clerk IIs, reclass to 14.0 Child Support Assistants; reclass from 3.0 Clerk IVs, reclass to 3.0 Staff Aides; reclass from 1.0 Clerk IVs and 1.0 Chief Clerk to 2.0 Secretary Is.

Of these reclassified positions, 2.0 Child Support Assistants and 1.0 Staff Aide were eliminated due to funding restrictions.

Net reduction of 32.7 in budgeted staffing due to new positions that were requested in the 2002-03 budget but not funded in 2003-04 due to funding shortages: 11.3 Child Support Officer Is, 1.4 Child Support Officer IIs, 6.4 Child Support Assistants, 6.0 Fiscal Clerk IIs, 6.0 Clerk IIIs and 1.6 Supervising Child Support Officers.

Net reduction of 81.0 in budgeted staffing for vacant positions being deleted due to elimination of the vacancy factor are: 12.0 Child Support Officer IIs, 10.0 Child Support Assistants, 33.0 Child Support Officer Is, and 26.0 Clerk IIs.

Net reduction of 66.0 in budgeted staffing for positions that are vacant and being eliminated are: 1.0 Supervising Child Support Officer, 5.0 Automated Systems Technicians, 1.0 Automated Systems Analyst, 8.0 Child Support Assistants, 1.0 Assistant Operations Manager, 1.0 Compliance Officer, 1.0 Operations Manager, 1.0 Media Specialist, 4.0 Staff Development Specialists, 1.0 Chief Clerk, 3.0 Clerk IIs, 2.0 Clerk IVs, 1.0 Executive Secretary, 3.0 Investigative Technicians, 4.0 Paralegals, 1.0 Fiscal Clerk II, 1.0 Clerk III, 6.0 Child Support Officer Is, and 21.0 Child Support Officer IIs.

One Deputy District Attorney IV position has been funded in 2003-04; this position was actually underfilled in June 2002 by a Child Support Attorney III.

Net reduction of 21.0 in budgeted staffing due to the deletion of all extra help positions. Ten Fiscal Clerk II positions and 11.0 Public Service Employees have been eliminated.

The vacancy factor of 118.0 has been eliminated.

PROGRAM CHANGES

Salaries and benefits are expected to increase due to MOU provisions and increased retirement contributions, even though budgeted positions have decreased by 84.7 positions. Given budget constraints, all overtime will be suspended effective July 1, 2003 and all vacant and extra help positions have been eliminated.

The state budget crisis has forced the department to reallocate and realign resources to salaries and benefits where it is needed most. In 2002-03 approximately \$2.1 million was allocated in services and supplies and fixed assets for one-time expenditures for a build-to-suit facility in the high desert near the Victorville courthouse. This allocation has been moved to fund projected increases in salaries and benefits for 2003-04.

Other major budget changes include COWCAP increases of \$76,052, as well as decreases totaling approximately \$100,000 in hardware and software expenditures, training, and other services and supplies categories. Temporary help was reduced by \$100,000 to \$0 for 2003-04. Effective 2002-03, the department suspended use of all temporary help services to ensure compliance with County policies. These expenditure reductions will assure a budget that is cost effective.

In addition to reductions in services and supplies, no fixed asset equipment purchases have been budgeted for 2003-04.

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Interfund transfers out have increased overall by approximately \$495,651. These changes represent increases in EHAP costs (GASB 34 Accounting Change), HSS ITSD and Administration costs, and an expected increase of \$369,408 in lease costs due primarily to the new Victorville facility.

The Child Support Services program is 100% funded by state and federal reimbursement. Revenue has been reduced to reflect budgeted reductions in allocations.

OTHER CHANGES

None.

IV. VACANT POSITION IMPACT

The department has 1.0 vacant budgeted position in its 2003-04 Department Request Budget. This position is as follows:

| | | |
|----------------------------------|------------|---------------------|
| Vacant Budget Not in Recruitment | 1.0 | Slated for Deletion |
| Vacant Budgeted in Recruitment | <u>0.0</u> | |
| Total Vacant | 1.0 | |

Vacant Position Restoration Request:

The department has submitted one policy item for the restoration of 1.0 vacant budgeted position that is slated for deletion. The County Administrative Office recommends Policy Item #1 which would restore the department's request of 1.0 vacant budgeted Staff Analyst II position. This restoration is being recommended because the incumbent is temporarily assigned to a vacant higher position. The position is 100% federally and state funded. There is no local cost.

| CAO Rec | Item | Program | Budgeted Staff | Program Description |
|---------|------|----------------|--------------------------------------|--|
| x | 1 | Administration | 1.0 \$73,524 Revenue Supported | Incumbent currently assigned to vacant higher position. Recruitment for higher level position anticipated in May 2003. |

V. OTHER POLICY ITEMS

None.

VI. FEE CHANGES

None.

GROUP: Human Services System
DEPARTMENT: Child Support Services
FUND: General AAA DCS

FUNCTION: Public Protection
ACTIVITY: Child Support

ANALYSIS OF 2003-04 BUDGET

| | A | B | C | D | B+C+D E Board Approved Base Budget |
|-----------------------------|----------------------------------|-------------------------|--------------------------|-------------------------|---|
| | 2002-03 Year-End Estimates | 2002-03 Final Budget | Base Year Adjustments | Mid-Year Adjustments | |
| <u>Appropriation</u> | | | | | |
| Salaries and Benefits | 28,176,286 | 28,712,774 | 878,606 | - | 29,591,380 |
| Services and Supplies | 8,502,172 | 8,536,938 | (1,719,475) | - | 6,817,463 |
| Central Computer | 481,047 | 481,047 | (119,416) | - | 361,631 |
| Equipment | 112,142 | 420,000 | (420,000) | - | - |
| Other Charges | <u>2,648,187</u> | <u>2,648,187</u> | <u>470,665</u> | <u>-</u> | <u>3,118,852</u> |
| Total Appropriation | 39,919,834 | 40,798,946 | (909,620) | - | 39,889,326 |
| <u>Revenue</u> | | | | | |
| State, Fed or Gov't Aid | <u>39,919,834</u> | <u>40,798,946</u> | <u>(909,620)</u> | <u>-</u> | <u>39,889,326</u> |
| Total Revenue | 39,919,834 | 40,798,946 | (909,620) | - | 39,889,326 |
| Local Cost | | - | - | - | - |
| Budgeted Staffing | | 649.7 | | | 649.7 |

GROUP: Human Services System
DEPARTMENT: Child Support Services
FUND: General AAA DCS

FUNCTION: Public Protection
ACTIVITY: Child Support

CHILD SUPPORT SERVICES

ANALYSIS OF 2003-04 BUDGET

| | E | F | E+F G | H | G+H I | J | I + J K |
|-----------------------------|-------------------------------------|---|----------------------------------|------------------------------|---|--------------------------------------|----------------------------------|
| | Board Approved Base Budget | Recommended Program Funded Adjustments | 2003-04 Department Request | Vacant Position Impact | 2003-04 Proposed Budget (Adjusted) | Recommended Vacant Restoration | 2003-04 Recommended Budget |
| <u>Appropriation</u> | | | | | | | |
| Salaries and Benefits | 29,591,380 | (139,447) | 29,451,933 | (73,524) | 29,378,409 | 73,524 | 29,451,933 |
| Services and Supplies | 6,817,463 | 114,461 | 6,931,924 | - | 6,931,924 | - | 6,931,924 |
| Central Computer | 361,631 | - | 361,631 | - | 361,631 | - | 361,631 |
| Equipment | - | - | - | - | - | - | - |
| Transfers | 3,118,852 | 24,986 | 3,143,838 | - | 3,143,838 | - | 3,143,838 |
| Total Appropriation | 39,889,326 | - | 39,889,326 | (73,524) | 39,815,802 | 73,524 | 39,889,326 |
| <u>Revenue</u> | | | | | | | |
| State, Fed or Gov't Aid | <u>39,889,326</u> | <u>-</u> | <u>39,889,326</u> | <u>(73,524)</u> | <u>39,815,802</u> | <u>73,524</u> | <u>39,889,326</u> |
| Total Revenue | 39,889,326 | - | 39,889,326 | (73,524) | 39,815,802 | 73,524 | 39,889,326 |
| Local Cost | - | - | - | - | - | | |
| Budgeted Staffing | 649.7 | (84.7) | 565.0 | (1.0) | 564.0 | 1.0 | 565.0 |

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| Base Year Adjustments | | |
|-----------------------|--------------------|--|
| Salaries and Benefits | 971,848 | MOU. |
| | 1,734,620 | Retirement. |
| | 55,927 | Worker's Compensation. |
| | (1,883,789) | Decreases in staffing due to reduced funding. |
| | <u>878,606</u> | |
| Services and Supplies | (1,682,623) | Decreases due to elimination of one-time costs in 2002-03 for Victorville. |
| | (12,095) | Risk Management liabilities. |
| | (24,757) | Other decreases. |
| | <u>(1,719,475)</u> | |
| Central Computer | <u>(119,416)</u> | |
| Equipment | <u>(420,000)</u> | One-time costs in 2002-03 due to Victorville. |
| Transfers | 470,665 | Increase in transfers due to additional lease costs for Victorville, Rancho, Redlands offices. |
| Total Appropriation | <u>(909,620)</u> | Decrease in appropriations to match expenditures. |
| Total Revenue | <u>(909,620)</u> | Decrease in revenue to match appropriations. |
| Local Cost | <u>-</u> | |

| Recommended Program Funded Adjustments | | |
|--|------------------|---|
| Salaries & Benefits | <u>(139,447)</u> | Net decrease due to staffing reductions. |
| Services & Supplies | 76,052 | COWCAP increase. |
| | (189,832) | Decrease in hardware purchases for 2003-04. |
| | 295,151 | Increase of \$231,151 to professional services (15%) + \$64,000 estimated for case file process |
| | <u>(66,910)</u> | Net decreases in miscellaneous service and supplies categories. |
| | <u>114,461</u> | |
| Transfers | <u>24,986</u> | Net increase in ISF department costs. |
| Total Appropriation | <u>-</u> | |
| Total Revenue | <u>-</u> | |
| Local Cost | <u>-</u> | |

Vacant Position Impact Summary

| | Authorized | Budgeted Staffing | Salary and Benefit Amount | Revenue | Local Cost |
|---|------------|-------------------|---------------------------|---------|------------|
| Vacant Budgeted Not In Recruitment-Delete | 1 | 1.0 | 73,524 | 73,524 | - |
| Vacant Budgeted in Recruitment - Remain | - | - | - | - | - |
| Total Vacant | 1 | 1.0 | 73,524 | 73,524 | - |
| Recommended Restoration of Vacant Deleted | 1 | 1.0 | 73,524 | 73,524 | - |

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Vacant Position Impact Detail

| | <u>Position Number</u> | <u>Budgeted Staffing</u> | <u>Salary and Benefit Amount</u> | <u>Revenue</u> | <u>Local Cost</u> |
|---|----------------------------|------------------------------|--|----------------|-------------------|
| Note: If position is seasonal indicate next to Classification (Seasonal - May through August) | | | | | |
| Vacant Budgeted Not In Recruitment | | | | | |
| <i>Staff Analyst II</i> | 16016 | (1.0) | (73,524) | (73,524) | - |
| | | - | - | - | - |
| | | | | | |
| Subtotal Recommended - Retain | | (1.0) | (73,524) | (73,524) | - |
| | | | | | |
| Total Slated for Deletion | | (1.0) | (73,524) | (73,524) | - |
| Vacant Budgeted In Recruitment - Retain | | | | | |
| | | - | - | - | - |
| | | - | - | - | - |
| | | | | | |
| Total in Recruitment Retain | | - | - | - | - |

NOTE: If applicable, the vacant position will be bolded if included in the 30% Cost Reduction Plan not yet implemented.
If applicable, the seasonal vacant position that is currently not filled will indicate which months they are needed.